

OFFICIAL NOTICE OF SALE
\$39,615,000
FAUQUIER COUNTY, VIRGINIA
GENERAL OBLIGATION SCHOOL BONDS
SERIES 2006

Electronic bids only will be received by the Fauquier County, Virginia (the "County"), in accordance with this Official Notice of Sale until 11:00 a.m., Local Time, on Tuesday, September 26, 2006 (the "Date of Sale"). In the case of a malfunction in submitting an electronic bid, facsimile bids will be allowed, as more fully described below.

Immediately thereafter, the bids will be publicly announced, and the County Administrator will act upon the bids by 2:00 p.m., Local Time.

Bid Submission

Solely as an accommodation to bidders, electronic bids via BIDCOMP/PARITY (the "Electronic Bidding System") will be accepted in accordance with this Official Notice of Sale. The County is using BIDCOMP/PARITY as a communication mechanism to conduct the electronic bidding for the sale of its \$39,615,000 General Obligation School Bonds, Series 2006 (the "Bonds"), as described herein. To the extent any instructions or directions set forth in BIDCOMP/PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. Each bidder submitting an electronic bid agrees (i) that it is solely responsible for all arrangements with BIDCOMP/PARITY, (ii) that BIDCOMP/PARITY is not acting as the agent of the County, and (iii) that the County is not responsible for ensuring or verifying bidder compliance with any of the procedures of BIDCOMP/PARITY. The County assumes no responsibility for, and each bidder expressly assumes the risks of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder through BIDCOMP/PARITY. Each bidder shall be solely responsible for making necessary arrangements to access the Electronic Bidding System for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the County nor the Electronic Bidding System shall have any duty or obligation to provide or assure such access to any bidder, and neither the County nor BIDCOMP/PARITY shall be responsible for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, BIDCOMP/PARITY. For further information about BIDCOMP/PARITY, potential bidders may contact i-Deal at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

In the event of a malfunction of the Electronic Bidding System at 11:00 a.m., Local Time, on the Date of Sale, an attempt will be made to reschedule the bidding for 12:00 noon, Local Time, on the Date of Sale. Should the Electronic Bidding System malfunction a second time, bidding will either be rescheduled or facsimile transmission bids will be accepted at the discretion of the County in coordination with its Financial Advisor, BB&T Capital Markets, a division of Scott & Stringfellow, Inc. (the "Financial Advisor"). To the extent possible, the rescheduled bid time will be communicated to the bidders. Bidders choosing to submit bids in the case of a malfunction by facsimile transmission shall use the following telecopier number for such transmission: (804) 649-3964 (Attention: Warren Redfern). Transmissions received after the deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received not later than the deadline as communicated to bidders and that the bid is sent to the telecopier number set forth above. Illegible transmissions shall be rejected. The Financial Advisor, will, on behalf of the County, verify receipt of each bid submitted through facsimile transmission by contacting each bidder by telephone once the bid has been received. The Financial Advisor will in no instance correct, alter or in any way change bids submitted through facsimile transmission. The County and the Financial Advisor will not be responsible for bids submitted by facsimile transmission not received in accordance with the provisions of this Official Notice of Sale. Bidders electing to submit bids via facsimile transmission will bear full and complete responsibility for the transmission of such bid.

Each bid must be unconditional.

Change of Date and Time for Receipt of Bids

The County expects to take bids on the Bonds on September 26, 2006. However, the County reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by TM3 newswire, or any other such service. If the receipt of bids is postponed, any alternative date for receipt of bids will be announced via TM3 newswire, or any other such service. Any bidder must submit a sealed bid for the purchase of the Bonds on such alternative sale date in conformity with the provisions of this Official Notice of Sale, except for any changes announced via the TM3 newswire, or any other such service, as described therein.

Principal Redemption

The Bonds will be dated _____, 2006 (the "Dated Date"), and will mature, or be subject to mandatory sinking fund redemption, on _____ in years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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Serial Bonds, Term Bonds and Mandatory Sinking Fund Redemptions

Bidders may provide in the bid form for all of the Bonds to be issued as serial Bonds or may designate consecutive annual principal amounts of the Bonds to be combined into not more than [three] Term Bonds. In the event that a bidder chooses to specify a Term Bond, each such Term Bond shall be subject to mandatory sinking fund redemption commencing on _____ of the first year which has been combined to form such Term Bond and continuing on _____ in each year thereafter until the stated maturity of such Term Bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the amortization schedule above. Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from among the Bonds of the maturity being redeemed.

Book-Entry-Only System

The Bonds will be issued by means of a book-entry system with no distribution of physical Bond certificates made to the public. One Bond certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York ("DTC"), or its nominee, and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Bonds in principal amounts of \$5,000 or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Bond certificates registered in the name of Cede & Co. will be deposited with DTC. Interest on the Bonds will be payable from their date semiannually on each _____ and _____, beginning _____, _____, and principal of the Bonds will be paid annually on _____, beginning _____, _____, to DTC or its nominee as registered owner of the Bonds. Transfer of principal, premium and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be prepared, executed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that case, either a successor depository will be selected by the County or Bond certificates will be prepared, executed and delivered.

Optional Redemption

Bonds that mature, or are subject to mandatory sinking fund redemption, on or before _____, ____, are not subject to optional redemption. Bonds that mature on or after _____, ____, will be subject to redemption beginning _____, ____, in whole or in part (in any multiple of \$5,000) at any time, at the option of the County, upon payment of [100%] of the principal amount of the Bonds to be redeemed plus interest accrued to the date fixed for redemption.

If less than all of the Bonds are called for redemption, the Bonds to be redeemed shall be selected by the County's chief financial officer in such manner as is determined to be in the best interest of the County. If less than all of the Bonds of a particular maturity are called for redemption, DTC or any successor securities depository will select the Bonds to be redeemed pursuant to its rules and procedures or, if the book-entry system is discontinued, the Bonds to be redeemed will be selected by the SunTrust Bank (or any successor entity), Richmond, Virginia, as paying agent and registrar (the "Registrar") by lot in such manner as the Registrar in its discretion may determine. In either case, each portion of the \$5,000 principal amount is counted as one Bond for such purpose. Notice of redemption will be given by the County by facsimile transmission, registered or certified mail or overnight express delivery to the registered owner of the Bonds. Such notice will be given not less than 30 nor more than 60 days prior to the date fixed for redemption. The County will not be responsible for giving notice of redemption to anyone other than DTC or its nominee unless no qualified securities depository is the registered owner of the Bonds. If no qualified securities depository is the registered owner of the Bonds, notice of redemption shall be mailed to the registered owners of the Bonds. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion shall be issued to the registered owner upon the surrender thereof.

The Issue; Authorizing Resolution; Security

The issuance of the Bonds was authorized by a resolution adopted by the County Board of Supervisors on December 9, 2004, and approved by the qualified voters of the County at an election held on March 15, 2005. The Bonds are being issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, and a bond resolution adopted by the County Board of Supervisors on September __, 2006. The proceeds of the Bonds will be used to finance, in part, the acquisition, construction and equipping of a new high school in the County.

The Bonds will be general obligations of the County, secured by an irrevocable pledge of its full faith and credit. The County Board of Supervisors is authorized and required, unless other funds are lawfully available and appropriated, for timely payment of the Bonds, to levy and correct an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitations as to rate or amount, upon all locally taxable property in the County sufficient to pay principal of and premium, if any, and interest on the Bonds as the same respectively become due and payable, all as more fully described in the County's Preliminary Official Statement dated _____, 2006 (the "Preliminary Official Statement").

Bidding Rules; Award of Bonds

Bidders may only bid to purchase all of the Bonds. Bidders are invited to name the rate or rates of interest per annum that the Bonds are to bear in multiples of one-twentieth (1/20) or one-eighth (1/8) of one percent. All Bonds maturing on the same date must bear interest at the same rate. Any number of rates may be named provided that (a) the highest rate of interest may not exceed the lowest rate of interest by more than __ percentage points, and (b) the highest rate of interest stated for any maturity may not exceed ____% per year. No bid for less than par and accrued interest or greater than \$ _____ and accrued interest will be considered. The County reserves the right to reject any or all bids (regardless of the interest rate bid), to reject any bid not complying with this Official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any bid for the bidding process.

As promptly as reasonably possible after the bids are received, the County will notify the bidder to whom the Bonds will be awarded, if and when such award is made. Such bidder, upon such notice, shall advise the County of the initial reoffering prices or yields to the public of each maturity of the Bonds (the "Initial Reoffering Prices or Yields"). The successful bidder must sell to the public 10% or more in par amount of the Bonds from each maturity at the Initial Reoffering Prices or Yields. The winning bid will remain firm for a period of no less than five hours after the time specified for the opening of bids. An award of the Bonds, if made, will be made by the County Administrator within such five hour period or, with the express consent of the winning bidder, such longer time period as deemed necessary.

Unless all bids are rejected, the Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale and submitting a bid which provides the lowest "true" or "Canadian" interest cost to the County. The true interest cost shall be determined for each bid by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service to the date of the Bonds and to the price bid, excluding accrued interest. If more than one bid offers the same lowest true interest cost, the successful bid will be selected by the County Administrator by lot.

The successful bidder shall pay accrued interest, computed on the basis of a 360-day year of 12 months of 30 days each, on the Bonds from and including _____, 2006, to, but not including, the date of delivery.

Bids for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If a bidder proposes to obtain a policy of municipal bond insurance or any other credit enhancement, any such purchase of insurance or commitment therefor shall be at the sole option and expense of the bidder, and the bidder must pay any increased costs of issuance of the Bonds as a result of such insurance or commitment. Any failure by the bidder to obtain such a policy of insurance shall not in any way relieve such bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Bonds.

Good Faith Deposit

Bidders must submit a certified or cashier's check for \$400,000 drawn upon an incorporated bank or trust company authorized to transact business in the Commonwealth of Virginia or in the City of New York and payable unconditionally to the order of the Fauquier County, Virginia, to secure the County against any loss resulting from the failure of the successful bidder to comply with the terms of its bid. The check of the successful bidder will be deposited and credited toward the purchase price, and no interest will be allowed thereon to accrue to the benefit of the successful bidder. The proceeds of the check will be retained by the County as liquidated damages in case the successful bidder fails to accept delivery of and pay for the Bonds. Checks of unsuccessful bidders will be returned promptly upon award of the Bonds. Bidders must also clearly indicate to whom the check should be returned in the event of an unsuccessful bid.

In lieu of the check described above, the deposit may be in the form of a Financial Surety Bond in the amount of \$400,000 payable to the County. The Financial Surety Bond must be from an insurance company acceptable to the County and licensed to issue such a bond in the Commonwealth of Virginia, and such Financial Surety Bond must be in a form acceptable to the County. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then such successful bidder is required to submit its deposit to the County in the form of a cashier's or certified check or wire transfer not later than 11:00 a.m., Local Time, on the next business day following the award. If such deposit is not received by such time, the Financial Surety Bond may be drawn by the County to satisfy the deposit requirement.

Bidders must deliver the good faith check (or, in lieu thereof, a Financial Surety Bond) by 11:00 a.m., Local Time, on September 26, 2006, to the Financial Advisor, BB&T Capital Markets, 2 South Ninth Street, Richmond, Virginia 23219 (Attention: Mr. Warren Redfern).

Delivery of the Bonds

The Bonds will be delivered at the expense of the County in New York, New York, through the facilities of DTC on or about October __, 2006.

Concurrently with the delivery of the Bonds, the County will furnish to the successful bidder without cost (a) a certificate dated the date of delivery of the Bonds, signed by the officers who signed the Bonds and stating that no litigation of any kind is then pending or, to their information, threatened against the County to restrain or enjoin the issuance or delivery of the Bonds and (b) a certificate dated the date of the delivery of the Bonds, signed by the appropriate County officials and stating that (a) the descriptions and statements contained in this Official Statement (except in the sections entitled "Book-Entry System" and "Litigation," the information as to price or yield and CUSIP numbers on the inside cover page and in Appendix B) on the date of this Official Statement and on the date of delivery of the Bonds were and are true and correct in all material respects, did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such descriptions and statements, in light of the circumstances in which they were made, not misleading and (b) no material adverse change has occurred in the financial condition of the County between the date of this Official Statement and the date of delivery, other than as contemplated in this Official Statement. Such certificate will also state, however, that the persons signing such certificate did not independently verify the information indicated in this Official Statement as having been obtained or derived from sources other than the County and its officers, but that they have no reason to believe that such information is not accurate.

The County will also furnish to the successful bidder a certificate dated the date of delivery of the Bonds, signed by the County Attorney stating that the statements in the section entitled "Litigation" on the date of this Official Statement and on the date of delivery of the Bonds were and are true and correct in all material respects and did not and do not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in light of the circumstances under which they were made, not misleading.

Certificates of Winning Bidder

The successful bidder must, by facsimile transmission or overnight delivery received by the County within 24 hours after receipt of bids for the Bonds, furnish the following information to complete the Official Statement in final form, as described below:

- A. The offering prices for the Bonds (expressed as the price or yield per maturity, exclusive of any accrued interest).
- B. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Bonds are sold at the prices or yields described in Subpart A above).
- C. The identity of the underwriters if the successful bidder is a part of a group or syndicate.
- D. Any other material information necessary to complete the Official Statement in final form but not known to the County.

Prior to delivery of the Bonds, the successful bidder shall furnish to the County a certificate, in form acceptable to the County's bond counsel, to the effect that the successful bidder has made a bona fide public offering of the Bonds at the initial public offering prices set forth in such certificate, that the successful bidder has complied with Rule G-37 of the Municipal Securities Rulemaking Board (the "MSRB") with respect to the County and that a substantial amount of the Bonds of each maturity were sold to the public (excluding bond houses, brokers and other intermediaries) at such initial public offering prices. Such certificate shall state that (1) it is made on the best knowledge, information and belief of the successful bidder and (2) 10% or more in par amount of the Bonds of each maturity was sold to the public at the initial public offering price (such amount being sufficient to establish the sale of a substantial amount of the Bonds).

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder thereof to accept delivery of and pay for the Bonds in accordance with the terms of its bid. The County will assume responsibility for the expense of the initial printing of CUSIP numbers; provided, however, that

the County assumes no responsibility for any CUSIP Service Bureau or other charges that may be imposed for the assignment of such numbers. All expenses in connection with the assignment of CUSIP numbers shall be paid by the successful bidder. It shall be the obligation of the successful bidder to furnish to DTC an underwriter questionnaire and to the County the CUSIP numbers for the Bonds within two business days following the date of award.

Official Statement

The County will furnish to the successful bidder, at the expense of the County, up to [300] copies of the final Official Statement within seven business days from the date of the award of the Bonds, as specified in Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission (the “SEC”) and the rules of the MSRB; provided that minor delays in furnishing such final Official Statements will not be a basis for failure to pay for and accept delivery of the Bonds. Additional copies will be made available at the successful bidder’s request and expense. The County assumes no responsibility or obligation for the distribution or delivery of the Official Statement to anyone other than the successful bidder.

The successful bidder, by executing the Official Bid Form, agrees to provide one copy of the Official Statement to at least one Nationally Recognized Municipal Securities Information Repository (“NRMSIR”) within the meaning of the Rule upon receipt of the Official Statement from the County and two copies of the Official Statement (with any required forms) to the MSRB or its designee no later than ten business days following the Date of Sale. The successful bidder shall notify the County as soon as practicable of (1) the date which is the end of the underwriting period (such “underwriting period” is described in the Rule) and (2) the date of filing of the Official Statement with a NRMSIR and the MSRB or its designee.

If the Bonds are awarded to a syndicate, the County will designate the senior managing underwriter of the syndicate as its agent for purposes of distributing copies of the Official Statement to each participating underwriter. Any underwriter executing and delivering a bid form with respect to the Bonds agrees thereby that if its bid is accepted it shall accept such designation and shall enter into a contractual relationship with all participating underwriters for the purposes of assuring the receipt and distribution by each such participating underwriter of the Official Statement, unless another firm is so designated by the syndicate in writing and approved by the County.

Legal Opinion

The approving opinion of Hunton & Williams LLP with respect to the Bonds will be furnished to the successful bidder at the expense of the County. The opinion will state that the Bonds constitute valid and binding limited obligations of the County for the payment of which the County’s full faith and credit are irrevocably pledged and that the County is authorized and required by law unless funds are lawfully available, to levy and collect taxes annually over and above all other taxes, upon all taxable property within the County without limitation as to rate or amount sufficient to pay when due the principal of and premium, if any, and interest on the Bonds.

Tax Exemption

The Official Statement relating to the Bonds contains a discussion of the effect of the Internal Revenue Code of 1986, as amended, on the exclusion from gross income of interest on the Bonds and a discussion of the opinion of Hunton & Williams LLP insofar as it concerns such exclusion.

Federal and State Securities Laws

No action has been taken to qualify the Bonds under the federal securities laws.

Continuing Disclosure

The County will agree, pursuant to a Continuing Disclosure Agreement, to provide certain annual financial information and operating data and notices of the occurrence of certain events, if material. A description of these undertakings is set forth in the Preliminary Official Statement for the Bonds and will also be set forth in the final Official Statement for the Bonds (See Appendix C of the Preliminary Official Statement).

Additional Information

For further information relating to the Bonds and the County, reference is made to the County's Preliminary Official Statement. The County has deemed the Preliminary Official Statement to be final as of its date within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule. The Official Bid Form and the Preliminary Official Statement may be obtained from the County's Financial Advisor, BB&T Capital Markets (telephone 804-644-7697).

**BOARD OF SUPERVISORS,
FAUQUIER COUNTY, VIRGINIA**

By: Paul S. McCulla, County Administrator

Dated _____, 2006.

OFFICIAL BID FORM

Electronic bids (or facsimile bids as provided in the Official Notice of Sale) must be submitted by 11:00 am, Local Time.

Board of Supervisors
Fauquier County
c/o County Administrator
Warrenton, Virginia 20186

September 26, 2006

On behalf of the firm(s) listed below and pursuant to the terms and conditions listed in the County's Official Notice of Sale, we offer to purchase the \$39,615,000 General Obligation School Bonds, Series 2006 (the "Bonds"), of Fauquier County, Virginia, dated _____, 2006. This offer is made for all the Bonds and not for less than all, maturing on _____ in years shown below. The schedule of maturities and interest rates upon which this bid is based are as follows:

<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>
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(CROSS OUT THE SERIAL BOND MATURITIES BEING BID AS TERM BONDS.)

Term Bonds (Optional - No More Than [Three] Term Bonds)

<u>First Year of Mandatory Redemption</u>	<u>Year of Maturity</u>	<u>Total Principal Amounts</u>	<u>Rate</u>
_____	_____	_____	_____ %
_____	_____	_____	_____ %
_____	_____	_____	_____ %

(LEAVE BLANK IF NO TERM BONDS ARE SPECIFIED)

We will pay \$_____, which is not less than \$39,615,000 or not less than par (representing a premium of \$_____), and accrued interest from the date of the Bonds to, but not including, the date of delivery and will accept delivery of the Bonds by means of a book-entry system at The Depository Trust Company, New York, NY.

Please indicate the appropriate choice:

_____ We have posted a surety bond in the amount of \$400,000. If awarded the bid, we will deliver to the County \$400,000 in good faith money by 11:00 a.m., Local Time, on the next business day immediately following the date of award, or the County will draw upon the surety bond and apply it in accordance with the Official Notice of Sale against any loss resulting from the successful bidder failing to comply with the terms of this bid.

_____ We have previously delivered a certified or cashier's check for \$400,000 drawn upon an incorporated bank or trust company as detailed in the Official Notice of Sale and payable unconditionally to the order of the Fauquier County, which is to be applied in accordance with the Official Notice of Sale against any loss resulting from the successful bidder failing to comply with the terms of this bid.

The good faith money will be deposited and credited on the purchase price, and no interest will be credited thereon to the successful bidder. The good faith money will be retained by the County as liquidated damages in case the successful bidder fails to accept delivery of and pay for the Bonds. Checks of unsuccessful bidders will be returned promptly upon award of the Bonds.

The undersigned hereby acknowledges receipt and review of the Preliminary Official Statement referred to in the Official Notice of Sale.

Respectfully submitted,

(Name of Bidding Firm)

(Authorized Signature)

(Name & Phone Number of Contact Person)

The good faith check has been returned and receipt thereof is duly acknowledged.

NO ADDITION OR ALTERATION, EXCEPT AS PROVIDED ABOVE, SHOULD BE MADE TO THIS BID.

(NOTE - The following is stated for information only and is not part of this bid: The true interest cost of this bid, calculated in accordance with the Official Notice of Sale, is _____ % (to six decimal places).

(A list of the members of our syndicate is attached.)